

In re:

Cedar Mortgage Company, Inc.,
a California corporation
dba Cedar Mortgage

Respondent.

**NOTICE OF INTENT TO IMPOSE
FINE AND NOTICE OF RIGHT TO
REQUEST HEARING
(Unlicensed Activity)**

The licensing and regulation of mortgage brokers, mortgage bankers and escrow agencies in the State of Nevada is governed by Chapter 645B, Chapter 645E and Chapter 645A of the Nevada Revised Statutes (hereinafter "NRS"), respectively, and the regulations promulgated thereunder. The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter the "Division") has the general duty to exercise supervision and control over mortgage brokers, mortgage bankers and escrow agencies pursuant to these chapters. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order, as follows:

FACTUAL ALLEGATIONS

1. Cedar Mortgage Company (hereinafter "Respondent") is a California corporation. Currently, Respondent's status with the Nevada Secretary of State is "default."

1 such branch office." See, NRS 645B.020(2).

2 5. Pursuant to NRS 645B.900, "[it] is unlawful for any person to offer or provide
3 any of the services of a mortgage broker or mortgage agent or otherwise to engage in, carry
4 on or hold himself out as engaging in or carrying on the business of a mortgage broker or
5 mortgage agent without first obtaining the applicable license issued pursuant to this
6 chapter..." unless the person is exempt from NRS Chapter 645B and complies with the
7 requirements for that exemption.

8 6. Pursuant to NRS 645B.400, "[a] person shall not act or provide any of the
9 services of a mortgage agent or otherwise engage in, carry on or hold himself out as
10 engaging in or carrying on the activities of a mortgage agent unless the person has a license
11 as a mortgage agent issued pursuant to NRS 645B.410."

12 7. Pursuant to NRS 645B.450, "[a] mortgage broker shall not associate with or
13 employ a person as a mortgage agent or authorize a person to be associated with the
14 mortgage broker as a mortgage agent if the mortgage agent is not licensed with the Division
15 pursuant to NRS 645B.410...." See, NRS 645B.450(2).

16 8. Pursuant to NRS 645B.060, with limited exception, the Division is charged with
17 conducting "an annual examination of each mortgage broker doing business in this State...."
18 See, NRS 645B.060(2)(d).

19 9. During an annual examination of Respondent's books and records which
20 commenced on November 18, 2009, the division discovered that at all relevant times herein
21 mentioned:

22 a. Marguerite Nogosek aka Marge Nogosek (hereinafter "Nogosek"),
23 Respondent's sole owner and president, and John Giorgianni (hereinafter "Giorgianni"), both
24 residents of California, conducted mortgage agent activity involving loans on properties in
25 Nevada on behalf of Respondent out of Respondent's office located at 1715 S. Bascom
26
27
28

1 Avenue, Campbell, California 95008;

2 b. Respondent's office located at 1715 S. Bascom Avenue, Campbell,
3 California 95008 (hereinafter "Respondent's Unlicensed Office") has never been licensed by
4 the Division pursuant to NRS Chapter 645B;

5 c. Neither Nogosek nor Giorgianni have ever been licensed by the Division
6 as a mortgage agent pursuant to NRS Chapter 645B; and

7 d. Respondent's qualified employee, Caroline Nilsen (hereinafter "Nilsen"),
8 has never applied for a mortgage agent license, as required to NRS Chapter 645B.
9

10 10. Pursuant to NRS 645B.690, as it existed at the time of the violations herein "[if]
11 a person offers or provides any of the services of a mortgage broker or mortgage agent or
12 otherwise engages in, carries on or holds himself out as engaging in or carrying on the
13 business of a mortgage broker or mortgage agent and, at the time... [the] person was
14 required to have a license pursuant to this chapter and the person did not have such a
15 license...the Commissioner shall impose upon the person an administrative fine of not more
16 than \$10,000 for each violation and, if the person has a license, the Commissioner shall
17 revoke it...." See, NRS 645B.690(1)(a).
18

19 VIOLATIONS OF LAW

20 After investigation, the Division determined that:

21 a. Respondent conducted unlicensed mortgage broker activity involving loans on
22 properties in Nevada out of Respondent's Unlicensed Office, in violation of NRS 645B.900
23 and NRS 645B.020(2);

24 b. Respondent associated with or employed Nogosek, Giorgianni and Nilsen as
25 mortgage agents, or authorized Respondent's association with or employment of Nogosek,
26 Giorgianni and Nilsen as mortgage agents when Nogosek, Giorgianni and Nilsen were not
27 licensed with the Division as mortgage agents pursuant to NRS 645B.410, in violation of NRS
28

645B.450(2), NAC 645B.055(2)(a) and NRS 645B.670(2)(c); and

c. Respondent's violations of NRS Chapter 645B are repeat violations from the previous two examinations.

ORDER

NOW, THEREFORE, THE COMMISSIONER OF THE DIVISION HEREBY ORDERS, pursuant to NRS 645E.750, that upon written application to the Division within **twenty (20) days** of the date of this Order, Respondent shall be entitled to a hearing with regards to the contents of this Order referenced below. At that hearing the Division will seek:

a. The imposition of an administrative fine against Respondent in the amount of Ten Thousand Dollars and No Cents (\$10,000.00), payable to the Division on account of Respondent's multiple and repeated violations of NRS Chapter 645B, the Division's administrative costs in the amount of One Hundred Eighty Dollars and No Cents (\$180.00), as well as the Division's attorney's fees, if any, incurred herein, each to be proven at the hearing; and

b. Respondent's payment, in full, of the administrative fine, costs and fees to the Division within **thirty (30) days** of entry of the Final Order.

Should Respondent request a hearing, Respondent is advised of the following:

a) Respondent is entitled to be represented by legal counsel at its own cost and expense; b) At any hearing Respondent shall be entitled to respond and to present evidence and argument on all issues involved; c) Requests may be made to the Commissioner for the issuance of subpoenas; however, the Commissioner may request the proposed testimony of any such person prior to the issuance of the subpoena; and d) Unless precluded by law, the parties may agree to an informal resolution or settlement prior to any hearing.

///

///

Should Respondent not request a hearing within **twenty (20) days** of the date of this Order, the Division will enter a Final Order in this matter against Respondent, as otherwise required by law.

Dated this 16th day of February, 2010.

State of Nevada
Department of Business and Industry
Division of Mortgage Lending

By: Joseph L. Waltuch
Joseph L. Waltuch, Commissioner

CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry,
Division of Mortgage Lending, and that on , February 18, 2010, I deposited in the U.S. mail,
postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct
copy of the foregoing, NOTICE OF INTENT TO IMPOSE FINE AND RIGHT TO REQUEST
HEARING (Unlicensed activity) for CEDAR MORTGAGE COMPANY INC , addressed as
follows:

Caroline Nilsen
Cedar Mortgage Company, Inc.
6174 Westwind Way
Fallon, NV 89406

Certified Receipt Number: 7008 1830 0002 7959 5611

DATED this 17th day of February, 2010

By: 

Employee of the Division